Bringing of excise and service tax at par

1423. SHRI TARIQ ANWAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government propose to bring Excise and Service Tax rates at par or closer;

(b) if so, the details thereof; and

(c) how it will be profitable for the consumers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) A duty of excise called the Central Value added Tax (CENVAT) is levied on excisable goods which are produced or manufactured in India. The mean CENVAT rate is 16% of the value of goods. Service tax is levied on taxable services at the rate of 12% of the value of taxable services. Finance Minister in his Budget 2006-07 speech has stated that there is a large consensus that the country should move towards a national level Goods and Services Tax (GST) and hence we must converge the service tax rate and CENVAT rate. World over, goods and services attract the same rate of tax.

The task force on Implementation of the Fiscal Responsibility and Budget Management Act, 2003 in its report of July, 2004 observed 'Stand alone taxation of both goods and services is structurally inconsistent with the scheme of input credit across goods and services which is so vital to eliminating multiple taxation and cascading effects'.

NPAs of Nationalised Banks

1424. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE be pleased to state:

(a) what is the current NPA of each of the Nationalised Banks, with figures for last three years;

(b) how does NPA of Nationalised Banks compared with those of large private banks for same period;

(c) how much of total NPA of Nationalised Banks, the credit advanced by them to medium and large industries and business houses constitutes, bank-wise;

(d) the details of interest, tenure and other terms governing credit advanced to above sectors, vis-a-vis agriculture loans; and

(e) the measures taken to recover advances and reduce NPA of Nationalised Banks during the last three years and result thereof, year-wise and bank-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (e) The information is being collected and will be laid on the Table of the House to the extent available-

Introduction of goods and services tax

1425. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering to introduce Goods and Services Tax; and

(b) if so, the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) There is broad consensus that India should move towards a Goods and Services Tax (GST) based on VAT principle, which is the most modern and efficient system of indirect taxation adopted by a number of countries around the world. The Hon'ble Union Finance Minister had proposed in his Budget Speech for 2006-07 that 01.04.2010 may be set as the date for introducing GST. However, introduction of GST will involve integration of the Central and State Taxes on goods and services, which would require extensive consultations between the Centre and the States. A Constitutional amendment may also be necessary.

In India, the concept of VAT has been evolved at the Central level in the form of CENVAT At State level, introduction of State VAT by most of the